

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE STATE BAR OF CALIFORNIA**

October 1, 2003

9:30 a.m.

Videoconference Meeting at  
Morrison & Foerster's L.A., S.F., Palo Alto and San Diego Offices

The October 1, 2003 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 9:30 a.m. with Pauline Stevens and Andrew Erskine presiding.

A. Administrative Matters.

1. Appointment of Secretary. Randy Orlik was appointed as the secretary for the meeting.
2. Approval of August Meeting Minutes. The minutes of the August 27, 2003 meeting were approved in the form disseminated prior to the meeting, with minor corrections.
3. Confirmation of Future Meeting Dates/Locations. The Committee confirmed future meeting dates as follows:

October 29 (Wednesday): In person meeting at the California Secretary of State's Office, in Sacramento, 10:30 a.m.

December 3 (Wednesday): videoconference at the offices of Morrison & Foerster in Los Angeles, Palo Alto, San Diego and San Francisco, 9:30 a.m.

January 6 (Tuesday): videoconference at the offices of Morrison & Foerster in Los Angeles, Palo Alto, San Diego and San Francisco, 9:30 a.m.

Future meeting dates will be selected at the meeting on December 3, 2003.

B. Update Regarding Secretary of State Automation Project.

Vasco Morais reported on the status of the implementation of electronic filing at the Secretary of State. Vasco said that things were moving a lot quicker, the project was back and loaded, and a lot has to be done by the end of this year. He also noted that we had received minutes of meetings with the certain UCC search firms, who have been given the designation of "Stakeholders". There was a discussion over the implications of that designation. It was concluded that the Committee should try to have someone attend the Stakeholder meetings to monitor their progress.

There was then a presentation to the Committee by Kathleen Vasquez. She confirmed the meeting on October 29, 2003, at the Secretary of State. At that meeting, the

Committee will be able to see an on-line version on a computer screen. Kathleen suggested that there be a subcommittee meeting with her after the October 29, 2003 meeting. The Secretary of State's Office is in the process of writing instructions for each web page and wishes to get the Committee's comments on the instructions.

Roll out is scheduled for December 29, 2003. Right now they are creating teams for testing and training. User procedures for the staff and information for customer training are being developed.

The initial round of internal testing should commence mid-October, 2003.

Kathleen stated that they are working on getting electronic filings by the Franchise Tax Board. All filings, whether done by paper or electronic will be imputed into the system and be available for electronic searches. The IACA model rules are going to be followed, with one exception involving multiple secured parties.

C. Report of the Article 7 Subcommittee.

Arnold Rosenberg reported that he had circulated a revised draft of the report. Final comment by Committee members to the revised draft are due by October 8, 2003. Final comments should be sent to Pauline Stevens and Arnold. Arnold will then incorporate those comments into a final version of the report. The final version will be sent by Arnold on October 15, 2003 to Pauline Stevens, Andy Erskine, Peter Szurley and Linda Rusch.

D. Report of the Article 6 Subcommittee.

Sandy Shippey reported that she has had the report out for a while. She has received three or four sets of comments, none of which were substantive. There was a discussion as to whether the report should contain any statements concerning a survey of lawyers. It was decided that all references to a survey would be deleted from the report.

It was also decided that the bullet items in the report would be numbered and printed in three point type.

Final comments with respect to the report are due by October 8, 2003. Sandy will incorporate those comments and send a report to the Subcommittee and Pauline by October 15, 2003.

E. Report of Article 2 Subcommittee.

Mark Spitzer reported that the Article 2 Subcommittee had 400 pages to go through. There have been a number of meetings and conference calls. Charts have been developed dividing the revisions into four general categories.

It is necessary to compare old uniform Articles 2 and 2A to the revised Articles 2 and 2A. It is also necessary to compare new revised Articles 2 and 2A to current California law and to compare current California law to old uniform Article 2 and 2a. In order to achieve these comparisons, the computer people at Sheppard Mullen and Morrison & Foerster will get together and mechanize the process.

Mark Spitzer indicated he would attempt to have a report to the Committee by November 15, 2003.

F. Report of the Opinion Subcommittee.

Andrew Hirsch reported that the Subcommittee is now comparing its position to that of the Tribar. If the positions agree, the Subcommittee is harmonizing the language. If the positions do not agree, the Subcommittee is saying why.

The Subcommittee has decided to diverge slightly from the Tribar report with respect to choice of law opinions. If the debtor is a registered organization in the State of California, the loan documents state they are governed by California law, and the lender is located in California, the Subcommittee envisions saying that a choice of law opinion can be given with respect to the application of California law. Andy said that the Subcommittee is making good progress in revising the report.

G. Modification of Article 3-4 Report.

Peter Szurley stated that he would revise the report to include references to the case of *State Street Bank v. Lord*, 2203 WL 216 97417 (Fl. 4<sup>th</sup> DCA, 723-?).

H. Report Regarding the Pending Uniform Certificate of Title Act

Doug Krause said he would join this subcommittee.

I. Website Update.

It is being updated to add the minutes, the new roster and new projects.

J. Publications Programs.

Konred Schreier reported that he had submitted the Committee's proposed program to the Program Committee. The Program Committee had come back with three alternatives suggestions for topics.

The Committee decided to go back with a proposed program involving electronic filing at which Kathleen Vasquez would be asked to speak. The Committee decided to resubmit its proposal concerning revisions to Articles 1, 2, 2A, 3, 4, 6 and 7.

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The meeting was adjourned at approximately 11:14 a.m.